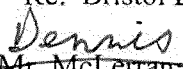




January 9, 2012

Mr. Dennis McLerran, Regional Administrator
U.S. Environmental Protection Agency
Region 10
1200 Sixth Avenue
140-RA
Seattle, WA 98101

Re: Bristol Bay Watershed Assessment

Dear  ~~Mr. McLerran,~~

I am writing to comment on certain aspects of EPA Region 10's efforts to develop a Watershed Assessment for the Nushagak and Kvichak drainages. EPA has posted information on its website that gives a distorted picture of possible environmental impacts of a mining project.

Specifically, on September 7, 2011 Region 10 of the Environmental Protection Agency posted five diagrammatic flow charts related to this effort on your website titled:

"Environmental impacts of mining in Bristol Bay: construction & operation, potential habitat effects"

"Environmental impacts of mining in Bristol Bay: construction & operation, potential water quality effects"

"Environmental impacts of mining in Bristol Bay: potential fish-mediated effects on indigenous culture"

"Environmental impacts of mining in Bristol Bay: post-closure, potential habitat & water quality effects"

"Environmental impacts of mining in Bristol Bay: accidents & catastrophic failures"

These diagrams raise concerns, for the reasons explained below.

Omission of Legal Requirements

These diagrams distort the Assessment because they omit legal requirements for permitting a mine. Any mining project anywhere in these watersheds will be required to meet myriad state and federal laws and regulations that must, among other things, protect salmon quality, quantity, and genetic diversity in the Bristol Bay watershed, and in Bristol Bay itself. Unfortunately, nothing in any of these flow diagrams reflects these legal requirements.



There is no mention, for example, of mitigation requirements for wetlands, fish or wildlife. These diagrams posit environmental conditions that would never be permitted: creating fish barriers, to elevating metals or other substances above EPA and Alaska water quality standards, and increasing air emissions above National Ambient Air Quality Standards, are all against the law.

Modern mines would never be allowed to do what is shown in the flow diagrams, nor would they get the required permits to operate if they submitted flow diagrams to the authorities that included environmental impacts like those shown in the watershed assessment flow diagrams. Like all industries, mining projects must comply with all statutory and regulatory requirements, and the regulatory agencies such as yours have measures in place to ensure they do.

EPA Should Inform the Public of the Existence of Relevant Regulations

We are very concerned that the public, which has access to these flow charts, will be unaware of the statutory and regulatory requirements that apply to mining projects. Accordingly, we respectfully request that you note clearly on these diagrams that legal requirements to protect the environment have been omitted.

We also request that you post an outline of the regulations that will apply to any prospective mine that might be proposed in either of the two watersheds and list the protections that are designed to prevent the negative effects contemplated in these diagrams. The public deserves to be informed of the rigorous permitting process that any mining project will go through.

Unfortunately, many of the concerned public, and most certainly those opposed to mining projects, will seize on these unrealistic and impossible scenarios and contend that EPA itself believes that they will occur (which could easily be inferred from EPA's posting of these diagrams).

Pebble Project Evidence of Environmental Stewardship

While you have assured us that your Watershed Assessment is not targeting the Pebble project, you know that our project involves the only large copper porphyry deposit in these drainages that is in an advanced stage of exploration. Our work on the Pebble project demonstrates that we are good environmental stewards, and that mining work can be protective of its environment.

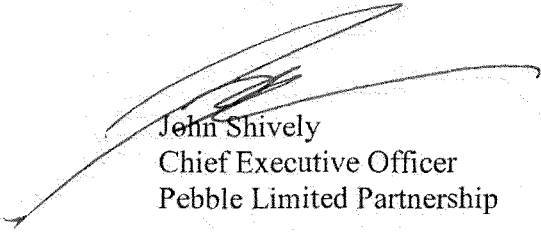
We have taken great care to proceed with our exploration efforts with minimum impact to the environment. We have a sincere interest in helping to stabilize and improve the local economy and the well-being of the area residents, and we are very sensitive to their subsistence needs and cultural values. We share EPA's desire to conserve resources and assure that any mine is designed and developed in an environmentally sound manner. To that end, the Pebble Partnership has already taken steps, in addition to its efforts to acquire the best data possible, to assure preservation of environmental values and conservation of resources. Based upon our extensive environmental data sets and ongoing evaluations of modern mining practices, the



Pebble Partnership will design a mine project sensitive to both sociocultural and environmental concerns within the region.

Thank you for your consideration.

Sincerely,



John Shively
Chief Executive Officer
Pebble Limited Partnership